

Code No. 1662
June 6, 2022
Masahiro Fujita, President
Japan Petroleum Exploration Co., Ltd. (JAPEX)
1-7-12 Marunouchi, Chiyoda-ku, Tokyo

To All Shareholders:

**Notification of the Convocation to
the 52nd Ordinary General Meeting of the Shareholders**

The 52nd Ordinary General Meeting of the Shareholders of Japan Petroleum Exploration Co., Ltd. (hereinafter referred to as the “JAPEX”) will be held according to the details below, and we kindly ask for your attendance.

If you are unable to attend the meeting, you may exercise your voting rights through a written document (Voting Rights Exercise Form) or by electronic means (via the Internet). Please read the attached “Reference Documents for Shareholders’ Meeting,” and exercise your voting rights after referring to “4. Guidance on the Exercise of Voting Rights” on the following page, prior to 5:35 p.m., Monday, June 27, 2022.

Thank you very much for your attention and cooperation.

Details:

1. Date and Time: 10:00 a.m., June 28, 2022 (Tuesday)
2. Location: Station Conference Tokyo “Sapia Hall” (Sapia Tower 5F)
1-7-12 Marunouchi, Chiyoda-ku, Tokyo
3. Agenda:
Announcements: 1) Business report and consolidated financial report of the 52nd Term (from April 1, 2021 to March 31, 2022), and audit reports from the accounting auditor and Board of Corporate Auditors on the consolidated financial report
2) Financial report of the 52nd Term (from April 1, 2021 to March 31, 2022)

Resolution items:

- Item 1: Appropriation of Surplus
- Item 2: Partial Amendments to Articles of Incorporation
- Item 3: Election of Eleven (11) Directors
- Item 4: Election of Three (3) Corporate Auditors
- Item 5: Revision of the Amount of Compensation for Directors

NOTE: This document is an abridged translation of the Japanese “Notification of the Convocation to the 52nd Ordinary General Meeting of the Shareholders,” “Reference Documents for Shareholders’ Meeting” and “Financial Report” of JAPEX. This translation is intended for reference and convenience purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail. JAPEX does not guarantee the accuracy and/or the completeness of this translation and shall have no liability for any errors or omissions therein.

4. Guidance on the Exercise of Voting Rights

[Exercise of Voting Rights in Writing (Voting Rights Exercise Form)]

Please indicate your approval or disapproval of each proposition on the enclosed Voting Rights Exercise Form and then send it back so that it reaches us no later than 5:35 p.m., Monday, June 27, 2022.

[Exercise of Voting Rights by Electronic Means (via the Internet)]

- (1) To exercise your voting rights via the Internet, you must use the following voting service website (<https://soukai.mizuho-tb.co.jp/>) designated by the Company. You are cordially requested to exercise your voting rights via the Internet prior to 5:35 p.m., Monday, June 27, 2022.
- (2) Please register your approval or disapproval of each proposition, by using the code and password provided on your Voting Rights Exercise Form enclosed herewith and following the directions on the screen. Please check the “Guidance on the Exercise of Voting Rights via the Internet, etc.” shown on page 4 of this notice for the details.

[Treatment of Voting Rights Exercised Repeatedly]

- (1) If you exercise your voting rights both in writing and via the Internet, we will only accept the exercise of your voting rights via the Internet as valid.
- (2) If you exercise your voting rights more than once via the Internet, we will only accept the last exercise of your voting rights as valid.

END

*Upon your arrival at the Ordinary General Meeting of Shareholders, please submit the enclosed Voting Rights Exercise Form to the venue reception. Thank you.

*The following matters are not described in the Reference Documents of this Notification since they are posted on the JAPEX website (<https://www.japex.co.jp/>) in accordance with laws and regulations and with Article 17 of the Company’s Articles of Incorporation.

- 1) “(5) System to Ensure Proper Business Operations and the State of Its Operation” and “(6) Basic Policy on Control of the Company” included in “2. Current State of the Company” of the business report
- 2) “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” of the consolidated financial report
- 3) “Statement of Changes in Equity” and “Notes to Financial Statements” of the financial report

The business report, consolidated financial report and financial report audited by Corporate Auditors comprise the business report, consolidated financial report and financial report, which are attached to this Notification, as well as the items 1) to 3) above, which are posted on the JAPEX website.

The consolidated financial report and financial report audited by the Accounting Auditor comprise the consolidated financial report and financial report, which are attached to this Notification, as well as the items 2) and 3) above, which are posted on the JAPEX website.

*In case the Reference Documents for Shareholders Meeting, or business report, financial report or consolidated financial report is modified, such modification shall be posted on the JAPEX website. (<https://www.japex.co.jp/>)

*The results of this general meeting of shareholders will be posted on the JAPEX website (<https://www.japex.co.jp/>) after the meeting.

Countermeasures, etc. against COVID-19
at the 52nd Ordinary General Meeting of the Shareholders of JAPEX
(Request)

We hereby inform you of the following COVID-19 countermeasures that will be taken at the General Meeting of the Shareholders and kindly ask for your understanding and cooperation.

[Countermeasures against COVID-19]

- We recommend that shareholders exercise their voting rights in advance by sending back the enclosed Voting Rights Exercise Form by post or via the Internet, in lieu of attending the meeting in person. For the procedures for exercising voting rights by post or via the Internet, please refer to pages 2 and 4 of this Notification.

[Others]

- We will not prepare commemorative gifts for shareholders. We highly appreciate your understanding.
- Other information regarding the operation of the General Meeting of the Shareholders will be posted on the JAPEX website. Shareholders are asked to remain informed by visiting the website.

[JAPEX website]
<https://www.japex.co.jp/>

END

Guidance on the Exercise of Voting Rights via the Internet, etc.

How to scan the login QR code

“Smart Voting”

You can log in to the website for exercising voting rights without entering your code for the exercise of voting rights and password.

- 1 Please scan the QR code printed at the bottom right of the Voting Rights Exercise Form.
- * “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
- 2 Thereafter, please follow the instructions shown on the screen to register your approval or disapproval of each proposition.

You can exercise your voting rights by “Smart Voting” **ONCE ONLY**.

If you wish to change your vote after you have exercised your voting rights, please access the website for PCs, and log in by entering your “code for the exercise of voting rights” and “password” printed on the Voting Rights Exercise Form, to exercise your voting rights again.

* If you scan the QR code again, you will be transferred to the website for PCs.

How to enter your code for the exercise of voting rights and password

The website for exercising voting rights:

<https://soukai.mizuho-tb.co.jp/>

- 1 Please access the website for exercising voting rights.
- 2 Please enter your “code for the exercise of voting rights,” which is printed on the Voting Rights Exercise Form.
- 3 Please enter your “password,” which is printed on the Voting Rights Exercise Form.
- 4 Thereafter, please follow the instructions shown on the screen to register your approval or disapproval of each proposition.

If you have any questions about how to use your PC, smartphone, or mobile phone to exercise your voting rights via the Internet, please call the number below.

Internet Helpline: Stock Transfer Agency Department of Mizuho Trust & Banking Co., Ltd.

Phone: 0120-768-524 (toll free)

(Opening hours: 9:00 a.m. to 9:00 p.m., excluding year-end and New Year holidays)

Institutional investors may use the electronic platform for the exercise of voting rights for institutional investors operated by ICJ Inc.

Reference Documents for Shareholders' Meeting

Item 1: Appropriation of Surplus

JAPEX employs the basic policy of long-term, stable distribution of dividends, comprehensively taking into account, among other factors, the profit or loss situation of each fiscal period and funding needs in the future, in the light of considering retained earnings to secure new oil and gas reserves and invest in the improvement and expansion of supply infrastructure, etc.

The year-end dividends for the 52nd term will be as follows:

1. Details Concerning the Year-End Dividends

- (1) Type of dividend property: Money
- (2) Distribution and total amount of dividend property:
25 yen per share of common stock
Total amount of dividends: 1,392,794,850 yen
- (3) Effective date of distribution of surplus: June 29, 2022

2. Matters Concerning the Appropriation of Other Surplus

In consideration of our business performance in the fiscal year ended March 31, 2022, the future development of business based on the medium- to long-term management plan “JAPEX Management Plan 2022-2030” formulated in March 2022, the dividends payable to shareholders, and other factors, matters concerning the appropriation of other surplus will be as follows:

- (1) Item of surplus to be decreased and the amount
General reserve 50,000,000,000 yen
- (2) Item of surplus to be increased and the amount
Retained earnings brought forward 50,000,000,000 yen

JAPEX has established, under the medium- to long-term management plan “JAPEX Management Plan 2022-2030,” a basic dividend policy from the fiscal year ending March 31, 2023 onward as follows, with a view toward enhancing shareholder returns based on the basic policy of the new management plan and the projected level of profit.

“We recognize that returning profit to the shareholders as well as maintaining a sound management base and strengthening our financial position is an important management issue. We will work to materialize the sustainable enhancement of our corporate value through proactive investments and an expansion of our business foundation utilizing retained earnings, while distributing the fruits thereof to shareholders. In terms of profit allocation to shareholders, our basic policy is to pay dividends in line with our business performance for each fiscal period, with a target consolidated dividend payout ratio of 30%. We will do our utmost to maintain an annual dividend of 50 yen per share, even if we suffer from a temporary setback in our business performance due to changes in the business environment and other factors (excluding, however, a fiscal year in which a drastic change in profit attributable to owners of parent is recorded due to extraordinary income or losses and other special factors, in which case the amount of dividends will be determined in consideration of the impact).”

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="272 241 820 331"><u>(Internet disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders)</u></p> <p data-bbox="272 331 384 360"><u>Article 17</u></p> <p data-bbox="272 360 820 636"><u>The Company may be deemed to have provided the shareholders with the matters which should be in the reference documents for a General Meeting of Shareholders, business reports, accounting statements, and consolidated accounting statements, provided that the Company discloses the same on the internet in accordance with the rules stipulated in the ordinances of the Ministry of Justice.</u></p> <p data-bbox="440 667 651 696">[Newly introduced]</p> <p data-bbox="440 1155 651 1184">[Newly introduced]</p>	<p data-bbox="1066 241 1169 271">[Deleted]</p> <p data-bbox="842 667 1390 696"><u>(Measures for Provision in Electronic Format, etc.)</u></p> <p data-bbox="842 696 954 725"><u>Article 17</u></p> <p data-bbox="842 725 1390 882"><u>The Company shall, at the time of convening a general meeting of shareholders, take measures to provide electronically the information contained in the reference documents, etc. for the general meeting of shareholders.</u></p> <p data-bbox="842 882 1390 1128">2. <u>The Company may not include all or part of the matters for which it takes electronic provision of information as provided for in the applicable Ordinance of the Ministry of Justice in the document to be delivered to shareholders who have requested delivery of the document in paper-based format by the record date for voting rights.</u></p> <p data-bbox="975 1155 1257 1184"><u>Supplementary Provisions</u></p> <p data-bbox="842 1184 1390 1252"><u>(Transitional Measures Concerning Electronic Provisioning Measures, etc.)</u></p> <p data-bbox="842 1252 943 1281"><u>Article 1</u></p> <p data-bbox="842 1281 1390 1644"><u>The deletion of Article 17 (Disclosure by way of the Internet and Deemed Provision of Reference Documents, etc. for a Shareholders Meeting) of the current Articles of Incorporation and the establishment of Article 17 (Measures for Provision in Electronic Format, etc.) of the proposed amendments shall take effect on the date of enforcement of the amended provisions prescribed in the proviso of Article 1 of the Supplementary Provisions of the Law Partially Amending the Companies Act (Law No. 70, 2019) (hereinafter referred to as “Effective Date”).</u></p> <p data-bbox="842 1644 1390 1823">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation shall remain in force with respect to general meetings of shareholders to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="842 1823 1390 2007">3. <u>These Supplementary Provisions shall be deleted after six months have elapsed from the Effective Date or after three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Item 3: Election of Eleven (11) Directors

Upon the closing of this general meeting of shareholders, the terms of office of all Directors, Osamu Watanabe, Masahiro Fujita, Kazuhiko Ozeki, Yoshitaka Ishii, Hajime Ito, Toshiyuki Hirata, Michiro Yamashita, Akira Kojima, Tetsuo Ito, Yukari Yamashita and Hideichi Kawasaki will expire. We kindly ask our shareholders to elect a total of eleven (11) Directors, including one (1) additional Outside Director, with a view toward reinforcing our future management structure and driving forward our medium- to long-term management plan “JAPEX Management Plan 2022-2030.”

The candidates for Director are as listed below:

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX	JAPEX shares owned
1	Osamu Watanabe (December 6, 1940) Renominated	<p>April 1964 Joined Ministry of International Trade and Industry (hereinafter referred to as the “MITI”)</p> <p>July 1997 Vice Minister of MITI</p> <p>July 2002 Chairman at Japan External Trade Organization</p> <p>June 2007 Executive Vice President at JAPEX</p> <p>June 2008 President</p> <p>June 2016 Chairman (up to the present date)</p> <p><Significant positions concurrently held> Director at JAPEX Offshore, Ltd.</p>	56,300 shares
<p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] 16 out of 16 meetings (100%)</p> <p>[Reasons for nomination as a candidate for Director] In addition to having distinguished insights through extensive administrative experience including energy administration in government positions, etc., Osamu Watanabe has held the positions of Executive Vice President and President at JAPEX in the period between 2007 and 2016, significantly contributing to the Group’s business development. Since assuming the position of Chairman, he has appropriately provided management guidance from a broader perspective; therefore, we have continuously nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX	JAPEX shares owned
2	Masahiro Fujita (November 12, 1954) <u>Renominated</u>	<p>April 1977 Joined MITI</p> <p>July 2008 Director-General of Trade and Economic Cooperation Bureau, METI</p> <p>Nov. 2010 Executive Officer at SUMITOMO CORPORATION</p> <p>June 2018 Representative Director, Executive Vice President at SUMITOMO CORPORATION</p> <p>April 2019 Representative Director, Assistant to President and CEO at SUMITOMO CORPORATION</p> <p>June 2019 Representative Director, Executive Vice President at JAPEX</p> <p>Oct. 2019 Representative Director, President, Chief Executive Officer (up to the present date)</p> <p><Significant positions concurrently held> President at JAPEX Offshore, Ltd. President at JAPEX Garraf Ltd.</p>	6,700 shares
<p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] 16 out of 16 meetings (100%)</p> <p>[Reasons for nomination as a candidate for Director] Masahiro Fujita has distinguished insights through extensive administrative experience including energy administration in government positions and a management career in other private sectors doing international resource and energy business. In addition, since assuming the position of Representative Director and Executive Vice President in 2019, and subsequently the position of President that same year, he has helmed the Group's business development amid the tough business environment; therefore, we have continuously nominated him as a candidate for Director.</p>			
3	Yoshitaka Ishii (April 3, 1957) <u>Renominated</u>	<p>April 1981 Joined JAPEX</p> <p>April 2010 General Manager of Technical Dept., Nagaoka Division Office</p> <p>June 2014 Executive Officer, General Manager of Nagaoka Division Office, Domestic Project Division</p> <p>April 2017 Executive Officer, General Manager of Nagaoka District Office</p> <p>June 2017 Managing Executive Officer, General Manager of Nagaoka District Office</p> <p>Nov. 2017 Managing Executive Officer, Vice President of Inter-regional Gas Supply Division and Vice President of Soma Project Division</p> <p>June 2018 Director, Managing Executive Officer, President of Inter-regional Gas Supply Division and President of Soma Project Division</p> <p>Oct. 2018 Director, Managing Executive Officer, President of Inter-regional Gas Supply Division and President of Soma Project & Power Business Division</p> <p>June 2020 Director, Senior Managing Executive Officer, President of Power Business Division</p> <p>June 2021 Representative Director, Executive Vice President, President of Power Business Division (up to the present date)</p> <p><Significant positions concurrently held> President at Fukushima Gas Power Co., Ltd.</p>	3,000 shares
<p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] 16 out of 16 meetings (100%)</p> <p>[Reasons for nomination as a candidate for Director] In addition to specializing in drilling technology in the oil and mining industries, Yoshitaka Ishii has extensive experience in and knowledge of our domestic project division. Currently assisting the President as Representative Director and Executive Vice President, while also being in charge of the Secretary Office, and serving as President of the Power Business Division and managing the carbon neutral related business, he has significantly contributed to the Group's business development; therefore, we have continuously nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX	JAPEX shares owned
4	Michiro Yamashita (October 27, 1959) Renominated	April 1982 Joined JAPEX June 2005 General Manager of Corporate Planning Dept. April 2010 Vice President of Environment and Innovative Technology Projects Division June 2011 Vice President of Environment and Innovative Technology Projects Division June 2013 Executive Officer June 2016 Managing Executive Officer June 2018 Director, Managing Executive Officer April 2022 Director, Senior Managing Executive Officer (up to the present date)	3,100 shares
		[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] 16 out of 16 meetings (100%) [Reasons for nomination as a candidate for Director] Michiro Yamashita has extensive experience in and knowledge of operations in the areas of our finance & accounting division. Currently serving as Director and Senior Managing Executive Officer in charge of the Finance & Accounting Dept. and the Deal Execution/PMI Support Dept., he has significantly contributed to appropriate administration and management of JAPEX; therefore, we have continuously nominated him as a candidate for Director.	
5	Toshiyuki Hirata (January 5, 1958) Renominated	April 1981 Joined JAPEX June 2005 President at Japan Canada Oil Sands Limited June 2012 Executive Officer at JAPEX June 2015 Managing Executive Officer June 2017 Managing Director June 2018 Director, Managing Executive Officer June 2020 Director, Managing Executive Officer, President of Middle East, Asia & Europe Project Division April 2022 Director, Managing Executive Officer, President of Overseas Business Division I (up to the present date)	4,600 shares
		[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] 15 out of 16 meetings (94%) [Reasons for nomination as a candidate for Director] In addition to specializing in oil and gas field development and production and operations management in Japan and overseas, Toshiyuki Hirata has extensive experience in and knowledge of the oil sand business. Currently serving as Director and Managing Executive Officer and President of the Overseas Business Division I, he has significantly contributed to the Group's business development; therefore, we have continuously nominated him as a candidate for Director.	

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX	JAPEX shares owned
6	Toshiaki Nakajima (May 1, 1962) <u>Newly nominated</u>	April 1986 Joined JAPEX June 2010 General Manager of Corporate Planning Dept. June 2011 General Manager of Corporate Strategy Dept. June 2019 Executive Officer June 2021 Managing Executive Officer (up to the present date)	1,100 shares
	<p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] —</p> <p>[Reasons for nomination as a candidate for Director] Toshiaki Nakajima has extensive experience in and knowledge of operations in the areas of our finance & accounting and corporate strategy divisions. Currently serving as Managing Executive Officer in charge of the Corporate Communication Office and the Corporate Strategy Dept., he has significantly contributed to appropriate administration and management of JAPEX. We expect JAPEX management will benefit from his experience and knowledge, and have therefore newly nominated him as a candidate for Director.</p>		
7	Tetsuo Ito (March 15, 1948) <u>Renominated</u>	April 1975 Appointed prosecutor June 2001 Head of Special Investigation Force, Tokyo District Public Prosecutors Office Jan. 2009 Deputy Prosecutor-General, Supreme Public Prosecutors Office April 2011 Recorded attorney (Daiichi Tokyo Bar Association) (up to the present date) April 2011 Of Counsel at Nishimura & Asahi (up to the present date) June 2016 Director at JAPEX (up to the present date) <Significant positions concurrently held> Of Counsel at Nishimura & Asahi Outside Corporate Auditor at Takasago Thermal Engineering Co., Ltd. Outside Corporate Auditor at Asahi Kasei Corp.	—
	<p>[Number of years served as Director] Six years</p> <p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] 15 out of 16 meetings (94%)</p> <p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles] Although Tetsuo Ito has no experience of being directly involved in corporate management, he has extensive knowledge and experience as a legal specialist. Currently serving as an Outside Director, he has supervised and provided wide-ranging proposals for JAPEX management. We continuously expect him to accurately identify business challenges JAPEX faces, and pose questions that contribute to reasonable and appropriate decision-making; and therefore, have renominated him as a candidate for Outside Director.</p> <p>In addition, if Tetsuo Ito is appointed as an Outside Director, he is expected to assume responsibility for supervising the process of selecting candidates for officer and determining officer compensation from an objective and neutral standpoint as a member of the Nomination and Compensation Advisory Committee.</p>		

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX	JAPEX shares owned
8	Yukari Yamashita (October 23, 1959) Renominated	<p>Oct. 1985 Joined The Institute of Energy Economics, Japan</p> <p>June 2011 Board Member, Unit Manager of Global Environment & Sustainable Development Unit at The Institute of Energy Economics, Japan</p> <p>July 2011 Board Member, Director, Charge of Energy Data and Modelling Center at The Institute of Energy Economics, Japan</p> <p>June 2019 Director at JAPEX (up to the present date)</p> <p>June 2020 Managing Director, Charge of Energy Data and Modelling Center at The Institute of Energy Economics, Japan (up to the present date)</p> <p><Significant positions concurrently held> Managing Director, Charge of Energy Data and Modelling Center at The Institute of Energy Economics, Japan Past President at International Association for Energy Economics, Inc.</p>	—
	<p>[Number of years served as Director] Three years [Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] 16 out of 16 meetings (100%) [Reasons for nomination as a candidate for Outside Director and outline of expected roles] Although Yukari Yamashita has no experience of being directly involved in corporate management, she has extensive knowledge through her research activities in a research lab studying energy economics and energy and environmental policy, etc. Currently serving as an Outside Director, she has supervised and provided wide-ranging proposals for JAPEX management. We continuously expect her to provide us with valuable proposals that will be beneficial for JAPEX to aim for its long-term development as an integrated energy company; and therefore, have renominated her as a candidate for Outside Director. In addition, if Yukari Yamashita is appointed as an Outside Director, she is expected to assume responsibility for supervising the process of selecting candidates for officer and determining officer compensation from an objective and neutral standpoint as a member of the Nomination and Compensation Advisory Committee.</p>		
9	Hideichi Kawasaki (January 10, 1947) Renominated	<p>April 1970 Joined Oki Electric Industry Co., Ltd.</p> <p>April 2001 Executive Officer at Oki Electric Industry Co., Ltd.</p> <p>April 2004 Senior Vice President at Oki Electric Industry Co., Ltd.</p> <p>June 2005 Managing Director at Oki Electric Industry Co., Ltd.</p> <p>April 2009 Vice President, Representative Director at Oki Electric Industry Co., Ltd.</p> <p>June 2009 President, Representative Director at Oki Electric Industry Co., Ltd.</p> <p>April 2016 Chairman of the Board, Representative Director at Oki Electric Industry Co., Ltd.</p> <p>June 2018 Chairman of the Board at Oki Electric Industry Co., Ltd.</p> <p>June 2020 Director at JAPEX (up to the present date)</p>	1,000 shares
	<p>[Number of years served as Director] Two years [Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] 16 out of 16 meetings (100%) [Reasons for nomination as a candidate for Outside Director and outline of expected roles] Hideichi Kawasaki has distinguished insights regarding corporate management, in general, through his extensive corporate management experience at an entity engaged in global operations in telecommunications and other fields. Currently serving as an Outside Director, he has supervised and provided wide-ranging proposals for JAPEX management. We continuously expect him to provide us with valuable proposals in addressing various business challenges JAPEX faces, based on his extensive experience; and therefore, have renominated him as a candidate for Outside Director.</p>		

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX	JAPEX shares owned
10	<p>Kumiko Kitai (October 29, 1952)</p> <p><u>Newly nominated</u></p>	<p>April 1976 Joined Ministry of Labor July 1999 Deputy Governor of Shizuoka Prefecture Aug. 2005 Director General of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare Sept. 2006 Director General of Secretariat, Central Labour Relations Commission Aug. 2007 Executive Director of Japan Industrial Safety and Health Association April 2012 Recorded attorney (Daini Tokyo Bar Association) (up to the present date) July 2014 Attorney at Kachidoki Law Office (up to the present date)</p> <p><Significant positions concurrently held> Attorney at Kachidoki Law Office Corporate Auditor (External auditor) at TAKARA HOLDINGS INC. Independent Auditor at OSAKI ELECTRIC CO., LTD.</p>	—
<p>[Number of years served as Director] —</p> <p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] —</p> <p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles] Although Kumiko Kitai has no experience of being directly involved in corporate management, she has distinguished insights gained through her extensive administrative experience primarily in the areas of labor administration in government positions, etc., as well as extensive knowledge of labor legislation and other laws. For these reasons, we expect her to supervise and provide wide-ranging proposals for JAPEX management from the viewpoint of a legal expert, and have therefore newly nominated her as a candidate for Outside Director.</p>			

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX	JAPEX shares owned
11	Yoshikuni Sugiyama (October 11, 1954) Newly nominated	<p>April 1978 Joined The Yomiuri Shimbun</p> <p>June 2010 Director at The Yomiuri Shimbun Tokyo Head Office</p> <p>June 2011 Director at The Yomiuri Shimbun Holdings (up to the present date)</p> <p>June 2011 Managing Director at The Yomiuri Shimbun Tokyo Head Office</p> <p>June 2012 Senior Managing Director at The Yomiuri Shimbun Tokyo Head Office</p> <p>June 2014 Representative Director, President at The Yomiuri Shimbun Seibu Head Office</p> <p>June 2015 Representative Director, President at The Yomiuri Shimbun Osaka Head Office</p> <p>June 2019 Board Director at Nippon Television Holdings, Inc.</p> <p>June 2020 Representative Director, President at Nippon Television Holdings, Inc. (up to the present date)</p> <p><Significant positions concurrently held> Director at The Yomiuri Shimbun Holdings Representative Director, President at Nippon Television Holdings, Inc. Representative Director, President, Senior Executive Operating Officer at NTV Network Corporation</p>	—
<p>[Number of years served as Director] —</p> <p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] —</p> <p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles] Yoshikuni Sugiyama has distinguished insights and extensive corporate management experience gained at a newspaper company and other media businesses. We expect him to supervise JAPEX management from an objective and neutral standpoint, and to provide wide-ranging proposals that contribute to promoting JAPEX's sustainable growth and enhancing our medium- to long-term corporate value, and have therefore newly nominated him as a candidate for Outside Director.</p>			

- (Notes)
- Candidate Masahiro Fujita is concurrently serving as the President of JAPEX Garraf Ltd., with which JAPEX is engaged in crude oil transactions. In addition, he is concurrently serving as the President of JAPEX Offshore, Ltd., with which JAPEX is entrusted funds via the cash management system. Candidate Yoshitaka Ishii is concurrently serving as the President of Fukushima Gas Power Co., Ltd., to which JAPEX is providing collateral, underwrites bonds issued, and has concluded an outsourcing agreement with.
No significant interest-based relationship exists between other candidates for Director and JAPEX.
 - Tetsuo Ito, Yukari Yamashita and Hideichi Kawasaki are candidates for Outside Director. These three candidates have been registered with the Tokyo Stock Exchange as Independent Officers, pursuant to the rules of the Exchange, and they are scheduled to continue to be Independent Officers, subject to the approval of their reappointment under this proposal.
 - Kumiko Kitai and Yoshikuni Sugiyama are candidates for Outside Director. They are scheduled to be registered with the Tokyo Stock Exchange as Independent Officers, pursuant to the rules of the Exchange, subject to the approval of their appointment under this proposal.
 - JAPEX has concluded a limited liability agreement with Candidates Tetsuo Ito, Yukari Yamashita and Hideichi Kawasaki, to limit their liability as stipulated in Article 423, Paragraph 1, of the Companies Act. The amount of liability under the agreement is limited to the amount provided by laws and regulations. JAPEX is scheduled to renew this agreement with them, subject to the approval of their reappointment under this proposal.
 - If the appointment of Candidates Kumiko Kitai and Yoshikuni Sugiyama is approved as proposed under this proposal, JAPEX intends to conclude, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, a limited liability agreement with each candidate to limit their liability as stipulated in Article 423, Paragraph 1 of the same Act. The amount of liability under the agreement is limited to the amount provided by laws and regulations.
 - JAPEX has concluded a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and JAPEX bears the entire premium. If the appointment of each candidate for Director is approved as proposed under this proposal, they shall be included as the insured under the said insurance contract. JAPEX plans to renew this insurance contract under the same conditions, at the next renewal.
 - The registered name of Yukari Yamashita is Yukari Niwa. This document adopts the name she uses in her business duties.

Item 4: Election of Three (3) Corporate Auditors

Upon closing of this general meeting of shareholders, Corporate Auditors Koichi Shimomura and Hiroyasu Watanabe are scheduled to resign from office, while the term of office of Corporate Auditor Norio Nakajima will expire. We kindly ask our shareholders to elect three (3) Corporate Auditors.

The candidates for Corporate Auditor are as listed below.

As a candidate for Corporate Auditor, Yoshihiko Motoyama is to be elected as a substitute for Corporate Auditor, Koichi Shimomura, his term of office shall, pursuant to the provisions of the Company's Articles of Incorporation, expire at the original expiry of the term of office of the retiring Corporate Auditor, Koichi Shimomura.

The Board of Corporate Auditors consented to this proposal.

Candidate No.	Name (Date of birth)	Brief history, Position in JAPEX and Significant Positions Concurrently Held	JAPEX shares owned
	Yoshihiko Motoyama (April 23, 1960) <u>Newly nominated</u>	April 1983 Joined JAPEX Jan. 2007 General Manager of Accounting and Procurement Dept., Sapporo Division Office (later Hokkaido Division Office) July 2013 General Manager of Procurement Dept. June 2019 Executive Officer June 2021 Advisor to President (up to the present date) June 2021 Corporate Auditor at JAPEX Offshore, Ltd.	2,900 shares
1	<p>[Number of years served as Corporate Auditor] —</p> <p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022] —</p> <p>[Attendance at the Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2022] —</p> <p>[Reasons for nomination as a candidate for Corporate Auditor] Yoshihiko Motoyama has extensive experience in and knowledge of operations in the areas of our procurement, internal control, administration, legal, and information technology divisions. Currently serving as Corporate Auditor of JAPEX Offshore, Ltd., a subsidiary of JAPEX, he has adequately performed his duties through auditing the execution of duties by the company's Directors. We expect JAPEX audit will benefit from his experience and knowledge, and have therefore newly nominated him as a candidate for Corporate Auditor.</p>		

Candidate No.	Name (Date of birth)	Brief history, Position in JAPEX and Significant Positions Concurrently Held	JAPEX shares owned
2	Chikara Kawakita (October 15, 1954) <u>Newly nominated</u>	<p>April 1977 Joined The Ministry of Finance</p> <p>July 2010 Commissioner of the National Tax Agency</p> <p>Oct. 2012 Professor at Graduate School of Law, Hitotsubashi University</p> <p>June 2013 Outside Director at ITOCHU Corporation</p> <p>Oct. 2014 Deputy Chairperson at General Insurance Rating Organization of Japan</p> <p>June 2019 Outside Audit & Supervisory Board Member at KONAMI HOLDINGS CORPORATION</p> <p><Significant positions concurrently held></p> <p>Chairman at The Salt Science Research Foundation</p> <p>Chairman at NOMURA INSTITUTE OF ESTATE PLANNING</p>	—
	<p>[Number of years served as Corporate Auditor]</p> <p>—</p> <p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022]</p> <p>—</p> <p>[Attendance at the Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2022]</p> <p>—</p> <p>[Reasons for nomination as a candidate for Outside Corporate Auditor]</p> <p>Although Chikara Kawakita has no experience of being directly involved in corporate management, he has distinguished insights through his experience as an administrator at the Ministry of Finance and as a professor of a graduate school. He also has experience guiding corporations in an appropriate direction as an outside director or officer. For these reasons, we have judged that he is able to carry out audits of the execution of duties by Directors, and have therefore newly nominated him as a candidate for Outside Corporate Auditor.</p>		
3	Hiroshi Motoyama (June 15, 1954) <u>Newly nominated</u>	<p>April 1977 Joined The Industrial Bank of Japan, Limited (later Mizuho Bank, Ltd.)</p> <p>Dec. 2002 General Manager of Head Office Sales Dept. No. 9 at Mizuho Corporate Bank, Ltd.</p> <p>April 2004 Executive Officer, General Manager of IT & System Management Dept. at Mizuho Corporate Bank, Ltd.</p> <p>April 2007 Managing Executive Officer at Mizuho Financial Group, Inc.</p> <p>June 2007 Managing Director at Mizuho Financial Group, Inc.</p> <p>April 2009 Deputy President at Mizuho Corporate Bank, Ltd.</p> <p>June 2011 President & CEO, Representative Director at Mizuho Securities Co., Ltd.</p> <p>June 2016 President & CEO at IBJ Leasing Company, Limited (later Mizuho Leasing Company, Limited)</p> <p>June 2020 Advisor at IBJ Leasing Company, Limited (up to the present date)</p>	—
	<p>[Number of years served as Corporate Auditor]</p> <p>—</p> <p>[Attendance at the Board of Directors meetings held in the fiscal year ended March 31, 2022]</p> <p>—</p> <p>[Attendance at the Board of Corporate Auditors meetings held in the fiscal year ended March 31, 2022]</p> <p>—</p> <p>[Reasons for nomination as a candidate for Outside Corporate Auditor]</p> <p>Hiroshi Motoyama has extensive corporate management experience at financial institutions and other organizations and distinguished insights, as well as considerable knowledge in finance, accounting, taxation, risk management and other areas. For these reasons, we have judged that he is able to carry out audits of the execution of duties by Directors, and have therefore newly nominated him as a candidate for Outside Corporate Auditor.</p>		

- (Notes)
1. No significant interest-based relationship exists between each candidate for Corporate Auditor and JAPEX.
 2. Chikara Kawakita and Hiroshi Motoyama are candidates for Outside Corporate Auditors. They are scheduled to be registered with the Tokyo Stock Exchange as Independent Officers, pursuant to the rules of the Exchange, subject to the approval of their appointment under this proposal.
 3. If the appointment of Candidates Chikara Kawakita and Hiroshi Motoyama is approved as proposed under this proposal, JAPEX intends to conclude, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, a limited liability agreement with each candidate to limit their liability as stipulated in Article 423, Paragraph 1 of the same Act. The amount of liability under the agreement is limited to the amount provided by laws and regulations.
 4. ITOCHU Corporation, in which Candidate Chikara Kawakita served as Outside Director in the period between June 2013 and June 2018, received in January 2018 and February 2018 cease and desist orders from the Japan Fair Trade Commission concerning a violation of the Antimonopoly Act. Chikara Kawakita made a statement regarding the importance of legal compliance at the Board of Directors of the company, and after the incident was discovered, ensured the thorough enforcement of legal compliance and actively made recommendations for the formulation of recurrence prevention measures, thereby fulfilling his duties.
 5. JAPEX has concluded a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and JAPEX bears the entire premium. If the appointment of each candidate for Corporate Auditor is approved as proposed under this proposal, they shall be included as the insured under the said insurance contract. JAPEX plans to renew this insurance contract under the same conditions, at the next renewal.

Item 5: Revision of the Amount of Compensation for Directors

The amount of compensation for Directors of JAPEX was resolved at the 46th Ordinary General Meeting of Shareholders held on June 24, 2016, to be up to 50 million yen monthly (including up to 4 million yen monthly for Outside Directors), and has remained unrevised to date. However, as the number of Outside Directors will increase if Item 3 is approved and adopted as originally proposed, we kindly ask our shareholders to revise the portion for Outside Directors in the total amount of compensation for Directors to be up to 5 million yen monthly.

Since this proposal is in line with the policy, etc. on determination of the amount of compensation, etc. for Directors, which has already been decided at the Board of Directors following deliberations at the Nomination and Compensation Advisory Committee, we believe that it is appropriate.

The amount of compensation for Directors (including compensation for Outside Directors) shall remain at an amount up to 50 million yen monthly, and does not include the portion representing employee salaries for Directors who serve concurrently as employees.

In addition, the number of Directors is currently 11 (including four (4) Outside Directors), and will remain 11 (including five (5) Outside Directors) if Item 3 is approved and adopted as originally proposed.

END

Consolidated Balance Sheet

(As of March 31, 2022)

(Unit: millions of yen)

Accounting titles	Amount	Accounting titles	Amount
(Assets)		(Liabilities)	
Current assets	226,920	Current liabilities	25,241
Cash and deposits	147,241	Notes and accounts payable-trade	11,479
Notes and accounts receivable-trade	47,158	Current portion of long-term borrowings	260
Contract assets	405	Contract liabilities	258
Securities	3,030	Provision for loss on disaster	1,841
Merchandise and finished goods	2,143	Other	11,402
Work in process	29	Non-current liabilities	43,929
Raw materials and supplies	12,503	Long-term borrowings	510
Other	14,458	Deferred tax liabilities	16,867
Allowance for doubtful accounts	(51)	Retirement benefit liability	3,376
Non-current assets	245,021	Asset retirement obligations	19,539
Property, plant and equipment	92,837	Other	3,636
Buildings and structures	37,208	Total liabilities	69,171
Wells	1,925		
Machinery, equipment and vehicles	24,253	(Net assets)	
Land	11,536	Shareholders' equity	323,602
Construction in progress	14,797	Share capital	14,288
Other	3,116	Capital surplus	2,607
Intangible assets	5,802	Retained earnings	310,592
Other	5,802	Treasury shares	(3,886)
Investments and other assets	146,380	Accumulated other comprehensive income	48,036
Investment securities	108,910	Valuation difference on available-for-sale securities	48,346
Long-term loans receivable	49	Deferred gains or losses on hedges	(1,862)
Deferred tax assets	3,709	Foreign currency translation adjustment	89
Retirement benefit asset	2,319	Remeasurements of defined benefit plans	1,464
Other	31,734	Non-controlling interests	31,131
Allowance for doubtful accounts	(45)	Total net assets	402,770
Allowance for overseas investment loss	(297)	Total liabilities and net assets	471,941
Total assets	471,941		

(Amounts truncated to millions of yen)

Consolidated Statement of Income

〔 From April 1, 2021
To March 31, 2022 〕

(Unit: millions of yen)

Accounting titles	Amount	
Net sales		249,140
Cost of sales		199,237
Gross profit		49,903
Exploration expenses		359
Selling, general and administrative expenses		29,734
Operating profit		19,809
Non-operating income		
Interest income	266	
Dividend income	4,049	
Share of profit of entities accounted for using equity method	14,226	
Foreign exchange gains	10,002	
Other	1,535	30,080
Non-operating expenses		
Interest expenses	1,187	
Late charges	3,335	
Other	1,693	6,215
Ordinary profit		43,674
Extraordinary income		
Gain on sales of non-current assets	1,307	
Gain on sale of investment securities	39,826	
Gain on forgiveness of debts	42,462	83,596
Extraordinary losses		
Loss on retirement of non-current assets	46	
Loss on disaster	1,416	
Loss on sale of shares of subsidiaries	94,373	
Loss on transfer of interests	44,724	
Loss on liquidation of subsidiaries	3,889	
Other	1,321	145,772
Loss before income taxes		18,501
Income taxes-current	2,855	
Income taxes-deferred	6,797	9,652
Loss		28,153
Profit attributable to non-controlling interests		2,835
Loss attributable to owners of parent		30,988

(Amount truncated to millions of yen)

Consolidated Statement of Changes in Equity

(From April 1, 2021
To March 31, 2022)

(Unit: millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	14,288	—	344,438	(151)	358,575	44,228	(488)	(3,810)	1,667	41,596	34,320	434,492
Changes in items during period												
Dividends of surplus			(2,857)		(2,857)							(2,857)
Loss attributable to owners of parent			(30,988)		(30,988)							(30,988)
Change in ownership interest of parent due to transactions with non-controlling interests		2,607			2,607							2,607
Purchase of treasury shares				(3,737)	(3,737)							(3,737)
Disposal of treasury shares				2	2							2
Net changes in items other than shareholders' equity						4,117	(1,374)	3,900	(202)	6,440	(3,189)	3,251
Total changes in items during period	—	2,607	(33,846)	(3,734)	(34,973)	4,117	(1,374)	3,900	(202)	6,440	(3,189)	(31,721)
Balance at end of current period	14,288	2,607	310,592	(3,886)	323,602	48,346	(1,862)	89	1,464	48,036	31,131	402,770

(Amount truncated to millions of yen)

Balance Sheet

(As of March 31, 2022)

(Unit: millions of yen)

Accounting titles	Amount	Accounting titles	Amount
(Assets)		(Liabilities)	
Current assets	165,954	Current liabilities	51,985
Cash and deposits	103,939	Accounts payable-trade	18,424
Accounts receivable-trade	36,133	Lease obligations	197
Merchandise and finished goods	2,025	Accounts payable-other	1,002
Raw materials and supplies	10,440	Accrued expenses	5,352
Advance payments-trade	0	Income taxes payable	378
Prepaid expenses	671	Deposits received	566
Accrued income	134	Deposits received from subsidiaries and associates	23,955
Accounts receivable-other	382	Provision for bonuses for directors (and other officers)	18
Advances paid	817	Provision for loss on disaster	1,841
Other	11,409	Other	248
Non-current assets	257,095	Non-current liabilities	33,191
Property, plant and equipment	69,596	Lease obligations	1,470
Buildings	9,352	Deferred tax liabilities	13,315
Structures	26,884	Provision for retirement benefits	2,098
Wells	85	Provision for share-based remuneration	47
Machinery and equipment	20,688	Asset retirement obligations	15,182
Vessels	0	Other	1,076
Vehicles	1	Total liabilities	85,176
Tools, furniture and fixtures	1,875		
Land	9,466	(Net assets)	
Leased assets	53	Shareholders' equity	290,945
Construction in progress	499	Share capital	14,288
Well drilling in progress	687	Retained earnings	280,543
Intangible assets	1,005	Legal retained earnings	3,572
Leasehold interests in land	151	Other retained earnings	276,971
Software	702	Reserve for overseas investment loss	834
Other	150	Reserve for mine prospecting	18,419
Investments and other assets	186,493	Reserve for tax purpose reduction entry of non-current assets	518
Investment securities	94,833	Reserve for exploration	47,246
Shares of subsidiaries and associates	82,833	General reserve	171,600
Long-term prepaid expenses	2,333	Retained earnings brought forward	38,353
Prepaid pension costs	114	Treasury shares	(3,886)
Other	12,929	Valuation and translation adjustments	46,927
Allowance for doubtful accounts	(17)	Valuation difference on available-for-sale securities	48,340
Allowance for overseas investment loss	(6,533)	Deferred gains or losses on hedges	(1,413)
Total assets	423,049	Total net assets	337,872
		Total liabilities and net assets	423,049

(Amount truncated to millions of yen)

Statement of Income

(From April 1, 2021
To March 31, 2022)

(Unit: millions of yen)

Accounting titles	Amount	
Net sales		133,642
Cost of sales		98,357
Gross profit		35,285
Exploration expenses		512
Selling, general and administrative expenses		21,365
Operating profit		13,407
Non-operating income		
Interest income	128	
Dividend income	21,781	
Foreign exchange gains	7,022	
Other	1,611	30,543
Non-operating expenses		
Interest expenses	25	
Loss on valuation of shares of subsidiaries and associates	3,555	
Inactive facility related expenses	225	
Inactive mine administrative expenses	63	
Commitment fee	292	
Other	770	4,932
Ordinary profit		39,018
Extraordinary income		
Gain on sales of non-current assets	1,291	
Gain on sale of investment securities	39,826	41,117
Extraordinary losses		
Loss on retirement of non-current assets	32	
Loss on disaster	1,416	
Bad debt expenses	12,763	
Loss on valuation of shares of subsidiaries	77,307	
Other	1,048	92,568
Loss before income taxes		12,432
Income taxes-current	33	
Income taxes-deferred	7,536	7,570
Loss		20,003

(Amount truncated to millions of yen)

Statement of Changes in Equity

(From April 1, 2021
To March 31, 2022)

(Unit: millions of yen)

	Shareholders' equity											
	Share capital	Retained earnings									Treasury shares	Total shareholders' equity
		Legal retained earnings	Other retained earnings							Total retained earnings		
			Reserve for overseas investment loss	Reserve for mine prospecting	Reserve for special depreciation	Reserve for tax purpose reduction entry of non-current assets	Reserve for exploration	General reserve	Retained earnings brought forward			
Balance at beginning of current period	14,288	3,572	1,512	14,919	72	543	47,246	171,600	63,938	303,404	(151)	317,540
Changes in items during period												
Reversal of reserve for overseas investment loss			(678)						678	—		—
Provision of reserve for mine prospecting				3,500					(3,500)	—		—
Reversal of reserve for mine prospecting										—		—
Reversal of reserve for special depreciation					(72)				72	—		—
Reversal of reserve for tax purpose reduction entry of non-current assets						(25)			25	—		—
Dividends of surplus									(2,857)	(2,857)		(2,857)
Loss									(20,003)	(20,003)		(20,003)
Purchase of treasury shares											(3,737)	(3,737)
Disposal of treasury shares											2	2
Net changes in items other than shareholders' equity												
Total changes in items during period	—	—	(678)	3,500	(72)	(25)	—	—	(25,584)	(22,860)	(3,734)	(26,595)
Balance at end of current period	14,288	3,572	834	18,419	—	518	47,246	171,600	38,353	280,543	(3,886)	290,945

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	44,218	305	44,524	362,065
Changes in items during period				
Reversal of reserve for overseas investment loss				—
Provision of reserve for mine prospecting				—
Reversal of reserve for mine prospecting				—
Reversal of reserve for special depreciation				—
Reversal of reserve for tax purpose reduction entry of non-current assets				—
Dividends of surplus				(2,857)
Loss				(20,003)
Purchase of treasury shares				(3,737)
Disposal of treasury shares				2
Net changes in items other than shareholders' equity	4,121	(1,718)	2,402	2,402
Total changes in items during period	4,121	(1,718)	2,402	(24,192)
Balance at end of current period	48,340	(1,413)	46,927	337,872

(Amounts truncated to millions of yen)